

the marketplace but only in one segment.

Second, the Senator from Massachusetts yesterday held up Europe as an example of how higher minimum wages work.

I have just returned from two of those European countries—Germany and France.

I would like to make the clear point as to why the Senator from Wyoming is right and, with all due respect, the Senator from Massachusetts is wrong.

High minimum wage laws in the countries of France and Germany have caused the following:

France's unemployment is 10 percent more, or two times that of the United States of America. Unemployment for youth in France is over 20 percent.

We have seen on the nightly news—and I saw firsthand when I was there—the tremendous economic problems the Government of France is having in driving its own economy. And it has declared itself its own worst enemy but could not get concessions to pull back some of these mandates. Therefore, the French economy is growing at 1.6 percent a year this year, a rate less than half that of the United States, with a minimum wage rate that is compounded over that of the United States.

Our great trading partner and great friend, Germany, has an unemployment rate of 11 percent.

Those are the two countries that were cited yesterday as the example as to why the higher minimum wage works.

In fact, they are an example of it not working.

Second, with regard to State minimum wages going up, that is precisely where our Constitution, our country, and our Founding Fathers believed these decisions should be made; that is, at the State level.

In fact, the Senator from Connecticut talked about raising the Federal minimum wage to a level less than the minimum wage in the State of Connecticut today and much less than what it goes to next year. It is right for the States to control those minimum wages.

Lastly, I have heard three times about the survey of small businesses where 86 percent say this is not an issue that is being quoted as a reason why we shouldn't even be debating this.

I ran a small business. I understand small business. The reason it wasn't an issue for 86 percent of them is mostly because people pay more than the Federal minimum wage anyway.

That is the name of the game in this country—for the marketplace to dictate.

But go find out who those 14 percent are. I will tell you. They are the people affected by the unintended consequence of a raise in the minimum wage. The 68 percent are either independent contractors or higher skilled workers, where the Federal minimum wage rate is not in effect in the first

place. But those 14 percent are in the tourism industry, in the construction industry, in the maintenance industry, in the short-order cook industry or in the fast food industry. They are the ones who are getting their foot on the ladder.

Go interview those 14 percent, and you will find that the economic study I quoted yesterday is, in fact, correct. Every increase in the minimum wage will cost some of them their jobs.

In our free enterprise system, there are three components to the price of a product. One is the cost of goods, the second one is the cost to sell the goods, and third is the profit. If you raise the cost of goods sold, which you do by raising the wage rate, you either have to lower the marketing, lower your profits or increase your productivity.

What will every business do? First, they will increase their productivity. They will try to ask more of their workers so the mandated increase in their wages is neutralized by employing less people.

I commend the Senator from Wyoming on his legislation. It is a 21st century approach to the American workforce and the free enterprise system. And I respectfully oppose the proposal of the Senator from Massachusetts.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ENZI. Mr. President, I yield myself 10 minutes.

I have listened patiently through 4 hours yesterday and quite a bit of time this morning. There are some things that need to be said.

I appreciate the comments from our side of the aisle and from everybody who has gone before me. I particularly appreciate the comments of the Senator from Georgia because some of those things have been grating on us a little bit as we have listened to what has been said. We have seen the charts which show that small businesses in this country are in favor of that kind of a tax increase.

I spoke to the Federation of Independent Businesses yesterday morning. They do the most complete job of surveying their members than any association that I know of. They do not back anything unless there is a strong consensus by their members.

They are opposed, by their vote, to the minimum wage increase that Senator KENNEDY is suggesting.

I do not know where they find that 86 percent. But I have seen surveys before that are able to manufacture the kinds of numbers that people want to have.

From the manufacturing members, I suggest that it sounds reasonable to people.

I saw a chart over here last night that showed the average CEO in America is making \$11.8 million compared to what a minimum wage person is making.

That is an average CEO. What do you suppose the good ones are making? Eleven million eight hundred thousand

dollars a year for the average CEO in this country? I think that must be the average CEO in the top 100 companies in the world. But that is apples and oranges when you are talking about the minimum wage.

We have heard some pretty big numbers about how many people are in poverty and under the minimum wage.

The purpose is to take the 1.9 million people who are at the minimum wage and get them higher wages. We all agree on that. What we don't agree on is how to do that.

The Senator from Massachusetts earlier today said minimum wage jobs don't get you out of poverty; that they keep you in poverty.

That was his quote this morning. I absolutely agree with that. What we need to do is get higher skills in this country. We need to reduce the number of dropouts in this country. It is dropouts who are working at the minimum wage. It is people who have made some choices that put them in a position where they have to take the lower paying jobs. We need to change that.

When I first came to Washington, welfare reform was going into effect. The newspapers were full of stories that on the day that went into effect, people were going to drop through the cracks. It was going to be this tragedy for American people. After it happened, there were not many stories on that. That is because the tragedies did not happen. People improved their lot in life with jobs.

I happened to be in an ice cream shop where they shared the tables fairly closely. This was fine, but it made it impossible for me not to hear the conversation at the table abutted up to my table. It was a woman and her husband talking to a sister who had a child with her. She was talking about the change that welfare reform had made in her life because she had gotten some additional training, she had gotten a good job, and she was so pleased with her job she was going to shift some hours so she could be at work when her sister was in training. She would take care of that child who was sitting there so her sister could have the same kind of benefit she had.

That is the way we change America. We get people better jobs. We take care of things so people can get better training.

Better training reminds me of the Workforce Investment Act. I have been trying to get the Workforce Investment Act through this process for 3 years now. That is a bill that would train 900,000 people a year to higher paying jobs. That is what we want, higher paying jobs. Do you think we have been able to get it through the process? No. For 2 years we were not able to get a conference committee. Now we are being blocked from having it brought to the Senate for debate. That would solve a lot of the problems.

We talk about the difference in wages between men and women. We had a great hearing in our Committee on